

One Woodward Avenue • Suite 1900 • Detroit, Michigan • 48226

March 24, 2014

The Honorable Aric Nesbitt
Chair, House Energy and Technology Committee
PO Box 30014
Lansing, MI 48933

Dear Chairman Nesbitt,

I am writing to you today to express the Detroit Regional Chamber's opposition to House Bill 5184. Representing over 20,000 members and affiliates ranging from Fortune 500 companies to sole proprietorships, the Chamber is the voice of business in the Detroit Region. The Chamber Board of Directors has identified promoting a "reliable and affordable energy policy" as one of the DRC's top public policy priorities for 2014. Unfortunately, we believe that HB 5184 falls far short of that goal.

The Chamber strongly supported the 2008 energy law that allowed for some measure of "choice" in the marketplace along with reasonable standards on a renewable portfolio and energy efficiency. As with any public policy, the 2008 energy law is not perfect, but the Chamber believes that it has worked well for Michigan businesses and consumers. HB 5184 would undermine the good work undertaken by the Legislature in 2008.

Our members recognize that Michigan energy prices are higher than many of our competing states. They also recognize that this energy pricing is an incredibly complex issue that hinges on many factors including the make-up of a state's generation portfolio, its proximity to natural resources and its regulatory climate. I do not believe however that completely unregulated energy choice is the answer to these problems. In fact, states that have de-regulated their market have been subject to violent price swings that hamper productivity.

Our members also recognize that electric rates, no matter how small are not all that important if when you flip the light switch on it remains dark. A regulated market place provides certainty for energy companies who are providing generation. A de-regulated marketplace shrinks access to capital and makes it difficult, if not impossible to add capacity. With new EPA regulations (which the Chamber is also concerned with), much of the state's generation capacity could go off-line in the not too distant future. I am very concerned that an unregulated marketplace would leave Michigan job providers without the certainty in the energy market that is required to make new, job creating investments.

In conclusion, the Chamber is very concerned that HB 5184 will only exacerbate the problems it aims to solve. We encourage the Legislature to move-on from HB 5184 and begin a discussion on Michigan's energy market of the future and how that public policy can work best for job creators and citizens.

Sincerely,


Brad Williams

Vice President, Government Relations

Cc: Members of the House Energy and Technology Committee